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HUNGARIAN LABOR CODE

Dr Laszlo Nagy

The Labor Code of 31 January 1951 is a significant step forward in the development of socialist labor law. The code applies equally to all workers and employers, removes distinctions between different types of workers, breaks down the barrier between public employees and other workers, and contributes to the elimination of bourgeois distinction between public and private law. There are still some differences in the details of regulations relating to working conditions of employees in public offices and those in enterprises. Separate executive directives apply to enterprise, public, state railroad, and postal employees.

The Labor Code provides that employment is regulated by laws, decrees of legal force, collective contracts conforming to legal decrees, official resolutions, and work processes. It deals in detail with collective contracts, official resolutions, and work processes. State organs fix work tasks and wages with the cooperation of the National Council of Labor Unions or of the unions concerned. The new system of collective contracts also guarantees workers an active role in determining work tasks. The fixing of working conditions and wages is an essential requirement of the work contract. This will undoubtedly contribute to the reduction of labor disputes.

The new collective contracts are concluded by the enterprise director on the one hand, and the shop committee representing the workers on the other; the right of unions and ministries to draw up contracts is revoked. A collective contract is effective only after it has been signed by the enterprise director and the shop committee, jointly approved by the minister and the labor union, and published in the Journal of the National Wages Committee (OMB).

The code allows for either oral or written agreements concerning employment, and authorizes the Council of Ministers to order the conclusion of a definite form of work contract in individual branches of industry.

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The lower age limit for legal employment is 14 years or 12 years during school vacations. A 14-year-old child has the unlimited right to contract or terminate employment. Up to 16 years, youths may be employed only in occupations which have been medically approved as not harmful to their physical or intellectual development. Youthful workers receive preferential vacations.

The code introduces a new theory concerning the duration of employment, with the creation of employment for a limited purpose, such as loading a barge, or seasonal employment in a sugar factory. Workers can no longer be hired for "as long as there is work during the year." The duration of probationary employment is also to be adjusted to the complexity of the occupation. General probationary employment is to last 7 days, 30 days in more complex occupations. The arbitrary discharge of employees and employment speculation resulting in excessive labor migration have been checked by fixing the causes for termination of employment and requiring the reinstatement of workers unjustly discharged.

In a planned socialist economy, an enterprise must organize production in the most favorable manner and must release superfluous workers to other enterprises. Enterprises may discharge consistently incompetent workers and workers who cannot be utilized in their present occupation. On the other hand, a worker may terminate his employment when required by his technical advancement, because of his family or for reasons of health. Technical advancement and health are absolute reasons for termination, while the concurrence of the enterprise director is required in case of resignation for personal reasons. There is no difference in the length of advance notice of discharge for manual and intellectual workers. However, the Labor Code makes little provision in this respect, since there is a manpower shortage, and a discharged worker may find work easily.

Employers must give written notice of termination of employment, stating the reason for discharge. Workers may resign orally. The limitations on termination of employment apply also to labor union members of the enterprise conciliation committee, to give them job security while participating in labor affairs, and to sick workers who are receiving compensation for illness.

The Labor Code permits termination of employment of workers hired for a specific length of time or for the completion of a specific job because of incompetence or if workers cannot be utilized in a particular occupation. Immediate dismissal is limited to disciplinary cases. All state enterprises have uniform disciplinary regulations, expected to save much superfluous discussion and waste of time.

To avoid costly labor disputes, the Labor Code sets a time limit on presenting complaints and for their solution. Negotiations for the entire personnel of an enterprise have been entrusted to the enterprise conciliation committee, which consists of members of the enterprise directorate and of the shop party committee who can easily get at the origin of a dispute and can reach a sound solution. Other advantages are that convening the conciliation committee for deliberation on an issue involves no formalities, and the labor union also takes part in the solution of disputes.

The above regulations apply also to the nonnationalized sector, with certain exceptions. The workers may resign without giving reason. In the nationalized sector, the Labor Code has revised the regulations governing immediate resignations or dismissals. Previously, an unjustly dismissed worker could only sue for damages. Under the present regulation, the worker may claim reinstatement and may sue for back wages.

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In conformance with the present situation, the Labor Code sets the general working day at 8 hours and permits shorter hours for occupations which jeopardize the health of the worker.

Workers receive regular, annual vacations. In contrast to past practice, when all workers received the same vacation benefits, vacations will be adapted to the type of occupation, occupational strain, and importance of his occupation to the state. Workers who work longer than the usual period will also receive special consideration. Accounting is simplified by counting vacation time according to the calendar year, and not the service year, as before. Vacation time accruing for fractions of months will no longer be lost. Although a worker can draw no vacation time during the first 6 months of employment, he is entitled to vacation time before the end of the calendar year, even though the first 6 months may not be completed by then.

In addition to the 12-day-base vacation per year, youth workers receive 6-12 working days bonus vacation; miners working underground receive 3-12 days, metallurgical-furnace bricklayers 12 days, workers employed in occupations which constitute health hazards 3-12 days, directors, 6-12 days, and workers not eligible for overtime pay, 3 days. Workers who have worked more than 2 consecutive years receive one additional day bonus vacation for every 2 calendar years, and one day for every 3 years worked before 1945. A worker may claim bonus vacation time for only one category. Thus, the director of an enterprise may not claim the 3-day bonus due to workers who do not receive pay for overtime nor bonus time for working more than 2 years with the same enterprise, if he claims the 6 days' extra vacation due him as enterprise director. However, if he has been with the same enterprise for 20 years, he may choose to take the longer extra vacation due on that account, instead of the 6 days allowed to him as enterprise director.

Miners, metallurgical workers, and workers whose occupations constitute a hazard to their health receive bonus vacation time for continuous work, as well as the bonuses due to their particular occupations, up to a total of 12 additional days. Thus, an underground miner receives 6 days extra because of his occupation, and if he has been employed since 1945, he receives 3 additional days, making a total of 9 days' bonus vacation.

If a worker has taken his entire vacation for the year in advance, and is discharged or transferred before the end of the year, the unearned vacation time already used is deducted from the vacation time accruing for the remainder of the year at his new place of employment. For example, if a worker draws 9 days' vacation in May and is discharged in June, he has taken 2 days' unearned vacation for the year. If he is employed by another enterprise on 1 August, his 2 days' overdrawn vacation is deducted from the time accruing at the new enterprise, and he receives only 3 days' vacation for the remainder of the year.

Conforming to the constitution, the Labor Code fixes the principle of the rate of pay according to quantity and quality of work, extends the premium system, encourages worker training, and rewards good work. The code also states that there is to be equal pay for equal work, and that there is to be no discrimination in the pay of men and women or adults and youths in the same occupation. The above regulations form the basis of Hungary's wage policy. Piece-work and the premium-system of payment to shop and administrative workers are covered in Decree No 13, of the Council of Ministers, dated 10 May 1950.

An enterprise director is empowered to order transfers of personnel. Transfers between two enterprises may be made by the joint supervisory organ (center or ministry) and transfers between two ministries, by the ministers. Generally, workers must be given 14 days' notice before transfer. A worker has the right to protest when the transfer involves moving to another locality, reduction in status, or if the worker is engaged in college studies or is a

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student in the workers' high school. In the above cases, the worker is not required to accept the new position unless it is ordered by the conciliation committee. Failure of the worker to comply with the order is considered an immediate, voluntary resignation. Decree No 34 of the Council of Ministers, dated 31 January 1951, issued simultaneously with the execution of the Labor Code, lists in detail the compensation due to transferred personnel.

Enterprises are required to contribute to the creation and maintenance of welfare, health, and sport institutions of the workers, provide shop cafeterias where possible, and extend aid and pay advances to workers under circumstances described in the code.

The National Council of Labor Unions is responsible for organizing workers' vacations; it is given financial aid by the state. An enormous sum has been included in the 1951 budget for workers' vacations. With this aid, workers suffering from occupational diseases or exposed to occupational health hazards, youth workers, Stakhanovites, and other outstanding workers will receive free vacations.

The Labor Code contains detailed regulations concerning the protection of workers' health and physical condition through safe working conditions and constant medical attention. The code prescribes preliminary safety measures for new plants and new-type machines, and requires enterprises to maintain adequate dressing, washing, and bathing facilities, to provide appropriate safety devices, including medication, safety clothing and, when necessary, work clothes. Workers exposed to hazardous health conditions must have regular medical examinations, and if working conditions are hygienically harmful, the condition is to be eliminated or the worker transferred to another position. Safety regulations are drawn up jointly by the National Council of Labor Unions and the Ministry of Health. Within the enterprise, the shop committee has control of safety regulations.

Women in industry may not be employed in physically harmful occupations. Pregnant women and nursing mothers cannot be employed for heavy physical work, night work, or overtime. An expectant mother may not be discharged between the 6th month of her pregnancy and the 3d month following the birth of the child. A mother is allowed 12 weeks' leave for childbirth, and mothers at work, who keep their babies in the enterprise nursery or on the enterprise premises, are allowed to nurse their babies on company time.

The Labor Code emphasizes that work discipline should be conscientious and voluntary, and states the principle that the purpose of the punishment should be education. Rewards as well as compulsory measures are available for education in connection with work discipline.

With the new relationship of the worker to his work in the socialist state, tools and supplies are no longer considered symbols of capitalist oppression, and fines for damages protect the interests of the working class.

The Labor Code contains many provisions for furthering the technical qualifications of workers, including organization of technical schools and courses, and it is a special responsibility of enterprise directors to further and support the technical training of workers. The individual worker is responsible for communicating his successful work methods to his coworkers and for applying the methods passed on to him.

Technical training is also furthered by allowing time during working hours and special leave of absence for workers engaged in studies.

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